

2012 Seattle City Council Green Sheet

Approved

Tab	Action	Option	Version
119	1	A	1

Budget Action Title: Add one position to the Office of City Auditor for \$137,000 funded by the utilities.

Councilmembers: Budget Committee

Staff Analyst: Nate Van Duzer

Council Bill or Resolution:

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/10/2011	Pass 8- 1-Absent	Y	Y	Y	Y	Y	Y	-	Y	Y

Summary of Dollar Effect

See the following pages for detailed technical information

	2012 Increase (Decrease)
General Subfund	
General Subfund Revenues	\$137,000
<u>General Subfund Expenditures</u>	<u>\$137,000</u>
Net Balance Effect	\$0
Other Funds	
City Light Fund	
Revenues	\$0
<u>Expenditures</u>	<u>\$89,050</u>
Net Balance Effect	(\$89,050)
Water Fund	
Revenues	\$0
<u>Expenditures</u>	<u>\$19,180</u>
Net Balance Effect	(\$19,180)
Drainage and Wastewater Fund	
Revenues	\$0
<u>Expenditures</u>	<u>\$19,180</u>
Net Balance Effect	(\$19,180)
Solid Waste Fund	
Revenues	\$0
<u>Expenditures</u>	<u>\$9,590</u>
Net Balance Effect	(\$9,590)

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Total Budget Balance Effect	(\$137,000)
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Budget Action description:

This green sheet would add \$137,000 to the Office of City Auditor and create one additional Strategic Advisor 1 - Audit, increasing the office from 8 to 9 FTE. The position would be paid for with \$89,050 from City Light and \$47,950 from SPU. Current staffing limitations have created a backlog of audit projects. The new position would focus on audits related to Seattle City Light and Seattle Public Utilities.

Background

Investing in the oversight services provided by the Office of City Auditor is cost-effective and will return savings to utility ratepayers. The Office's past report recommendations have identified numerous cost savings and revenue enhancement opportunities for City departments. Examples include revising procedures at a Seattle Center parking garage to address the 33% of vehicles that avoided payment there; tightening SPU's water leak refund policies to align with industry practice; and changing water meter testing to discover aging meters that under-record consumption.

Office of City Auditor workload

The Office is currently working on six projects. Five other pending projects have been delayed because of staffing limitations on topics including SPU/SCL Combined Billing Processes and the SPU Residential Solid Waste Revenue Cycle. The Office currently has 15 potential projects in the cue. Several of these future projects require specialized expertise, such as necessary audits of Seattle City Light based on the risk analysis the Office provided to the City Council.

The Office currently has a staff of 8 FTE, a staffing level at the lower end of the range of auditor offices of comparably sized cities, as shown in the table below.

City	Employees in Audit office	Audit office budget	Population	Per capita expenditure
San Francisco	49	\$ 12,144,435	805,235	\$ 15.08
Denver	54	\$ 6,274,200	600,158	\$ 10.45
Washington, DC	35	\$ 4,415,000	601,723	\$ 7.34
Long Beach	20	\$ 2,720,942	462,257	\$ 5.89
Baltimore	47	\$ 3,340,209	620,961	\$ 5.38
Detroit	17	\$ 3,621,961	713,777	\$ 5.07
Portland	13	\$ 2,281,367	583,776	\$ 3.91
Oakland	10	\$ 1,451,740	390,724	\$ 3.72
Austin	25	\$ 2,498,973	790,390	\$ 3.16
Fort Worth	14	\$ 2,183,034	741,206	\$ 2.95
San Diego	18.5	\$ 3,761,180	1,307,402	\$ 2.88
Kansas City, MO	11	\$ 1,191,554	459,787	\$ 2.59
Cleveland	7	\$ 963,610	396,815	\$ 2.43
Jacksonville	18	\$ 1,809,377	821,784	\$ 2.20
San Jose	13	\$ 2,001,234	945,942	\$ 2.12

<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
119	1	A	1

Nashville	10	\$ 1,194,600	601,222	\$ 1.99
Seattle	8	\$ 1,115,713	608,660	\$ 1.83
Oklahoma City	9	\$ 1,060,596	579,999	\$ 1.83
Albuquerque	7	\$ 802,000	545,852	\$ 1.47
Indianapolis	9	\$ 934,441	820,445	\$ 1.14
Sacramento	4	\$ 526,087	466,488	\$ 1.13
Minneapolis	3	\$ 382,769	382,578	\$ 1.00
El Paso	6	\$ 382,730	649,121	\$ 0.59

Outcomes resulting from the Office of City Auditor's work

The Office prepared reports in 2010 and 2011 on the implementation status of its audit recommendations. These reports showed that a significant portion of these recommendations have either been implemented by the audited entities (61% as of June 2011) or are pending (32% as of June 2011).

How the Office of City Auditor decides which projects to pursue

The City Auditor, after seeking input from the City Council, the executive branch, citizens and Office of City Auditor staff, is authorized to make the final decisions regarding the content of the office's work program. The highest priority is placed on performing work requested by the City Council, particularly if it is requested by the chair of a Council committee and involves a topic for which the committee has oversight responsibilities. The City Auditor also uses his or her professional judgment to have the office perform work in areas that are deemed to be in the public interest.

Functions of the Office of City Auditor

The primary function of the Office is to conduct performance audits of City of Seattle programs and activities according to Government Auditing Standards that require rigorous and well-documented evaluations and soliciting feedback from the audited entities. The topics of the Office's performance audits have ranged from examining the City's response to bias crimes to the use of surveillance cameras in Cal Anderson Park to the revenue cycles for Seattle Public Utilities' water and wastewater programs. On occasion, the Office also conducts non-audit projects, such as a report on the City's response to the 2008 snow emergency, and responds to citizen inquiries or complaints about City services.

Since 1997, the Office has had five external evaluations of its operations, with a sixth occurring this fall. The last report noted that the "Seattle City Council might wish to consider creating an independent audit committee to help guide and support the work of the City Auditor." On June 13, 2011, the City Council voted to create such a committee; it will be established in December.

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Budget Action Transactions

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	City Light: Increase revenue for City Auditor position				SCL	Transfers from Construction Fund	379100	41000	2012	\$89,050	
2	City Light: Increase appropriations for City Auditor position				SCL	General Expenses	SCL800	41000	2012		\$89,050
3	GsF: Increase revenues from City Light for City Auditor position				GSF	Transfer from - Utilities for Council Oversight	587400	00100	2012	\$89,050	
4	SPU: Increase revenue for City Auditor position				SPU	Decrease (Increase) in Working Capital	379100	45010	2012	\$9,590	
5	SPU: Increase appropriation for City Auditor position				SPU	General Expense	N000B-SW	45010	2012		\$9,590
6	GsF: Increase revenues from SPU for City Auditor position				GSF	Transfer from - Utilities for Council Oversight	587400	00100	2012	\$9,590	
7	SPU: Increase revenue for City Auditor position				SPU	Decrease (Increase) in Working Capital	379100	43000	2012	\$19,180	
8	SPU: Increase appropriations for City Auditor position				SPU	General Expense	N000B-WU	43000	2012		\$19,180
9	GsF: Increase revenues from SPU for City Auditor position				GSF	Transfer from - Utilities for Council Oversight	587400	00100	2012	\$19,180	
10	SPU: Increase revenue for City Auditor position				SPU	Decrease (Increase) in Working Capital	379100	44010	2012	\$19,180	

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
11	SPU: Increase appropriations for City Auditor position				SPU	General Expense	N000B-DW	44010	2012		\$19,180
12	GsF: Increase revenue from SPU for City Auditor position				GSF	Transfer from - Utilities for Council Oversight	587400	00100	2012	\$19,180	
13	GsF: Increase appropriations for City Auditor position	StratAdvsr-Audit - FT	1	1	AUD	Office of City Auditor	VG000	00100	2012		\$137,000